

Raab Associates, Ltd.

Facilitation Mediation Training

Specializing in Energy & Environmental Issues

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September 6, 2006

To: Kurt Janson, VT PSB

From: Jonathan Raab, Raab Associates Ltd.

Re: MOU in Docket 7081

As the mediator in Docket 7081, I would like to convey the attached Memorandum of Understanding. The Parties to the Docket have met for 21 days of face-to-face negotiation sessions and participated in many conference calls between November 2005 and August 2006.

The attached MOU responds to the Board's request for the parties to develop a comprehensive approach to analyzing transmission and non-transmission alternatives for Vermont in a timely and even-handed manner. The MOU is a settlement on all issues by all Parties to the case, except that CLF, Hyde Park, Johnson, and Stowe, having fully participated in the negotiations, have decided not to sign the MOU. CLF will be providing its comments to the Board under separate cover.

We encourage the Board to commence the review and approval process it deems necessary under the circumstances, as soon as possible.

On a personal note, I have enjoyed working with the Parties on this complex set of issues, and look forward to the Board's review of the MOU. Please let me know if you have any questions, or if I can be of further assistance.